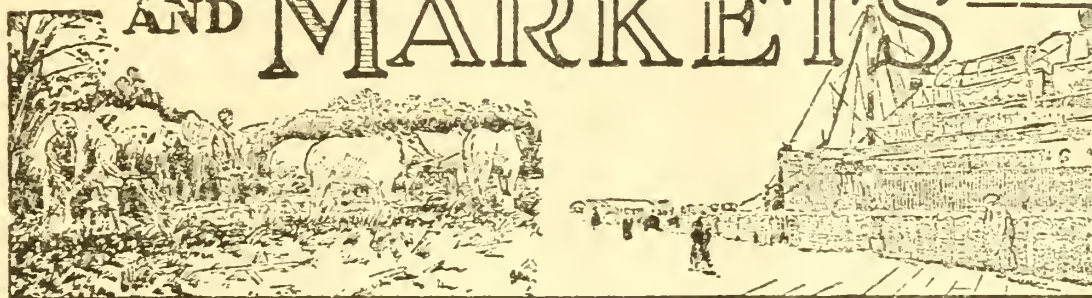


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FOREIGN CROPS AND MARKETS



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FEATURE ARTICLES

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND

AGRICULTURAL TRADE IN THE FIRST QUARTER OF THE CANADIAN AGREEMENT

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L A T E C A B L E S

Chinese wheat crop continues to be from 1 to 2 weeks late, with recent weather variable. If favorable weather prevails during the next 2 weeks, production is expected to exceed that of 1935. Old wheat still available in small quantities, but stocks are comparatively low. (Shanghai office, Foreign Agricultural Service, May 22, 1936.)

Field work in Argentina progressing favorably with soil in good condition. Sowings of early varieties of wheat have already started. Corn harvested under poor conditions, excessive rains having affected both quality and yield. (International Institute of Agriculture, Rome, May 22, 1936.)

C R O P A N D M A R K E T P R O S P E C T S

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BREAD GRAINS

Spanish wheat-control measures abandoned

Control measures applying to the wheat industry of Spain were practically wiped out by a Government decree of April 9, 1936, according to information available in the Foreign Agricultural Service. This means the abandonment of an interventionist policy of over 20 years' standing for free trading on domestic markets. Fixed prices, controlled sales, segregated stocks are no longer in force. The only requirement retained is that mills keep on hand a stock of flour equal to 1 month's milling capacity.

Since wheat is a basic factor in the wealth of Spain, representing about 25 percent of the total value of agricultural production, it is natural that it has received particular attention. The object of the various measures passed by the Government has been to increase returns to producers, while maintaining low prices of bread. At first a system of standard prices was established, which fixed the maximum and minimum price limits for wheat, within which allowances were made for carrying charges. Then a number of subsidiary measures were introduced to aid in maintaining market equilibrium. With the surplus production of 1932, followed by excessive imports in 1933 and another good harvest in 1934, the market became congested. A series of legislative measures was then passed in an effort to regulate supplies. Free trading between growers and millers was prohibited in July 1934, and all operations of purchase and sale were placed under the Wheat Trading Committee set up by the Government. Supplementing this, regional committees were decreed in November 1934, and the whole trading cycle of wheat came under government control. In February 1935, a law was passed, whereby wheat could be withdrawn from circulation and kept in reserve until a convenient time for its release. Since farmers failed to make the necessary deliveries to insure its successful operation, another law was passed on June 9, 1935, authorizing the Minister of Agriculture to purchase outright surplus wheat which threatened to disrupt the market. This was more effective, and some 14,000,000 bushels of wheat were taken over by the Government at a price considered remunerative to the farmers.

The real weakness in the program was the inability of the Government to control production as is shown by the fact that farmers have extended plantings to unsuitable land, resulting in a current surplus of 22,000,000 bushels of which the Government holds 14,000,000 bushels. The disposal of this Government-held wheat will not be decided upon until the results of the 1936 harvest are known.

The Shanghai wheat market

As a result of restricted buying, flour prices at Shanghai were somewhat lower during the week ended May 15, according to a radiogram from the

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Shanghai office of the Foreign Agricultural Service. Flour stocks were low in most sections of China and are expected to remain at a low level until the new wheat crop is available. Although late this season, favorable progress was reported for the Chinese crop.

Foreign wheat was not quoted on the Shanghai market during the week, since the mills showed no interest in making purchases. Domestic wheat for July delivery was 68 cents per bushel. Domestic flour, spot delivery, was 100 cents per bag of 49 pounds, June delivery, 91 cents, July 85 cents; Australian flour, c.i.f. Hong Kong, \$3.40 per barrel of 196 pounds.

Arrivals of flour at Tientsin during April were reported by Consul Berger as follows, with 1935 comparisons in parentheses: From Japan 32,000 barrels (1,000), Shanghai 50,000 (238,000), other Chinese ports 1,000 (0), total 83,000 barrels (240,000). Stocks of flour on April 30 totaled 116,500 barrels as compared with 89,000 barrels on the corresponding date of 1935.

FEED GRAINS

Summary of recent information

The total area sown to barley for the 1936 harvest in Czechoslovakia is estimated at 1,605,000 acres. This is about the same as the 1935 area, but is about 5 percent below the average area sown during the past 5 years. The area sown to oats is estimated at 2,000,000 acres, which is an increase of about 4 percent over the 1935 area, but is less than 1 percent above the average acreage during the past 5 years.

COTTON

Cotton planting progressing in Soviet Union

The cotton planting campaign in the principal cotton-growing regions of the Soviet Union, where cotton is grown under irrigation, was approaching the end early in May as specified by the government plan. Planting in these regions was done earlier this season than last. In the non-irrigated regions (accounting for about a fifth of the Soviet cotton area), about half of the acreage was planted by May 1. Field work in many of these regions was delayed by unseasonable weather in April. The total cotton area planted to May 1 amounted to 3,956,000 acres, or 79 percent of the plan, and was 281,000 acres above the area planted to the same date last year.

CROP AND MARKET PROSPECTS, CONT'D

Japanese cotton imports decreased

Japanese imports of raw cotton in March were below those of each of the previous 3 months and the 5-year average for the month, according to information received from Agricultural Commissioner O. L. Dawson at Shanghai (quoting Vice Consul McConaughy at Kobe). The March imports were estimated at 334,000 bales as against 390,000 bales in February and 461,000 bales in January. The decline was largely at the expense of American cotton, imports declining from 194,000 bales in February to 114,000 bales in March. Imports of Indian cotton showed the usual seasonal increase and were the largest since February 1935. There is a strong demand for raw cotton with price conditions favoring purchases of Indian.

JAPAN: Imports of raw cotton, March 1936, with comparisons
(In bales of 500 pounds)

Growth	1935	1936		September - March	
	March	February	March	1934-35	1935-36
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
American.....	93,097	194,000	114,000	1,165,097	1,117,000
Indian.....	180,662	163,000	192,000	752,662	708,000
Chinese.....	694	4,000	4,000	41,694	109,000
Egyptian.....	6,546	12,000	7,000	126,546	67,000
Korean.....	5,754	5,000	10,000	--	--
Other.....	5,065	12,000	7,000	85,819	116,000
Total.....	291,818	390,000	334,000	2,171,818	2,117,000

Wharf stocks of raw cotton, which have been increasing since November when they reached a very low level, registered a decline during March. Because of the considerable purchases of Indian cotton, stocks were expected to show an increase during the remaining spring months.

JAPAN: Stocks of raw cotton on March 31, 1936, with comparisons
(In bales of 500 pounds)

Growth	1936	
	February 29	March 31
	<u>Bales</u>	<u>Bales</u>
American.....	299,000	235,000
Indian.....	134,000	175,000
Chinese.....	---	7,000
Egyptian.....	14,000	9,000
Korean.....	---	9,000
Other.....	38,000	18,000
Total.....	485,000	453,000

CROP AND MARKET PROSPECTS, CONT'D

Deliveries of raw cotton to the mills increased from 365,000 bales in February to 416,000 bales in March. This was due to prospects of an active spring spinning season and of efforts to replenish low mill stocks.

The price difference between American and Indian cotton increased from 3.28 cents per pound in February to 3.40 cents in March. American Middling sold at Osaka at an average price 35.2 percent above that of Indian Akola. It is believed that this spread was sufficiently wide to influence many spinners to change, within limits, their mixing requirements.

JAPAN: Price per pound of specified grades of cotton at Osaka, March 1936, with comparisons

Growth	1936	
	February	March
	<u>Cents</u>	<u>Cents</u>
American Middling.....	12.89	13.05
Indian Akola.....	9.61	9.65

Cloth exports for March totaled 240,487,000 square yards. The increased exports were caused by larger shipments to British India and Netherland India. The following table shows the volume of the cotton cloth exports:

JAPAN: Exports of cotton cloth, January-March, 1934 to 1936

Country of destination	January-March		
	1934	1935	1936
	1,000 square yards	1,000 square yards	1,000 square yards
America	1,922	17,649	12,636
Philippine Islands	16,417	19,623	8,516
Hong Kong.....	8,631	9,631	18,181

Chinese mills using less foreign cotton

The Chinese cotton situation for the month of March was characterized by the small imports of foreign cotton, while the outstanding development during April was the continued heavy arrivals of native cotton, according to Agricultural Commissioner O. L. Dawson at Shanghai. The total volume of March imports amounted to 10,164 bales in comparison with 17,219 bales in February. The total volume for October to March of the 1935-36 season was 59,879 bales, as against 111,723 bales during a similar period in 1935. American cotton accounted for 37,628 bales and 60,737 bales in the respective periods.

CROP AND MARKET PROSPECTS, CONT'D

CHINA: Imports of raw cotton in March 1936, with comparisons

Growth	1935	1936		October - March	
	March	February	March	1934-35	1935-36
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
American.....	13,476	13,876	4,688	60,737	37,628
Indian.....	3,042	444	4,276	30,319	8,981
Egyptian.....	1,609	2,897	1,189	19,332	12,976
Others.....	42	2	11	1,335	294
Total.....	18,169	17,219	10,164	111,723	59,879

The April shipments of Chinese cotton into Shanghai amounted to 128,541 bales as against 56,698 bales during April 1935. The total arrivals for the present season, October-April, in comparison with those of October-April 1934-35 amounted to 827,941 bales and 523,506 bales, respectively.

CHINA: Preliminary arrivals of raw cotton in April 1936, with comparisons

Type	April		October-April	
	1935	1936	1934-35	1935-36
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
American.....	29,361	6,370	92,071	38,668
Indian.....	22,880	36,181	46,398	43,861
Chinese.....	56,648	128,541	523,506	827,941
Egyptian.....	2,566	1,539	20,732	14,570
Others.....	---	4,677	177	4,677
Total.....	111,455	177,308	682,884	929,717

Stocks of Chinese cotton in the interior are reported to be small, but it is estimated that the Shanghai mills are provided with enough cotton for the remainder of the season. The situation at the other mill centers which have been consuming Chinese cotton is somewhat less secure and a shortage may develop before the close of the season. On April 13, 1936, stocks of cotton in Shanghai public warehouses were estimated at 128,000 bales as against 247,000 bales on the same date a year earlier. In these totals, American cotton was represented by 6,000 and 82,000 bales, respectively.

There is very little activity in American cotton and purchases for the remainder of the season will be very small. It is expected that this season's total imports of American cotton will be considerably below the 135,000 bales -

CROP AND MARKET PROSPECTS, CONT'D

purchased during the October-September 1934-35 season. Some purchases of Indian cotton will be made as prices compared with native staples are favorable. Prices of Chinese cotton declined considerably and it is quoted now below the price of Indian cotton. American cotton, on the other hand, gained a few points.

CHINA: Price per pound of specified grades of cotton at Shanghai, May 14, 1936, with comparisons

Type	1935	1936	
		April 12	May 14
	Cents	Cents	Cents
Domestic cotton (July delivery).....	12.90	a/ 12.38	11.50
American middling (Immediate delivery).....	15.70	15.45	15.66
Indian akola (Immediate delivery).....	13.43	11.82	11.55

a/ June delivery.

FRUIT, VEGETABLES, AND NUTS

European fruit crop prospects generally favorable

The outcome of the deciduous fruit crops in Europe still depends to a large extent on the weather but present prospects are rather favorable, according to Fred A. Motz, Fruit Specialist at London. Most countries report that blossoming was fairly good with many districts showing the best bloom in several seasons. Blossoming in England was generally abundant. Apples are in full bloom at present in Kent, with trees farther north less advanced. Plum and cherry trees seem to be setting well. Trees are just at the critical stage, however.

Frost damage has been experienced in the Netherlands but the extent of the damage is uncertain. No official report is available. Fruit prospects have become less favorable in the important Rhone Valley of France. Pears and soft fruits were damaged by frost. Apples in general were apparently uninjured. Frost damaged fruit crops to some extent in western and southern Germany, particularly stone fruits and early pears. Prospects are good so far in the Hamburg and Bodensee districts. Some damage by frost has occurred in the Berkstrasse and Rheinhessen districts of Germany but the extent is undetermined. Fruit prospects in eastern and central Germany so far are good. Reports from Germany as a whole are fairly optimistic but it is possible the crop may be spotty.

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Reports from Austria indicate that prospects are generally good for all fruit, barring adverse weather. A considerable increase is expected over last year's output. The present outlook in Switzerland is more in doubt than in most countries. Stone fruit was badly injured by cold. Apple and pear trees blossomed well but prospects are still uncertain. Some frost damage is reported in Czechoslovakia but prospects at present appear favorable. These three countries are all important exporters of fruit, particularly apples, and the size of the crops has a definite bearing on the success of the American export deal. Prospects for peaches and plums in the important Barcelona and Lerida districts of Spain are very good. Exports are expected to begin early in June. The apricot crop is excellent and shipments are now going forward. Large exports of stone fruits from Spain are expected to be made to the United Kingdom.

South African citrus exports increase

Roughly 2,500,000 boxes of oranges are expected to go forward from South Africa during 1936, or an increase of about 7.5 percent over 1935. Early reports indicate that 250,000 to 300,000 boxes of grapefruit will be exported. The quality and condition of the crop now being harvested are satisfactory. About half of the exports are expected to be Navels and seedlings and the other half Valencias.

LIVESTOCK, MEAT, AND WOOL

World slaughter supplies of hogs increasing

Increases in the numbers of hogs on hand in the spring of 1936 were reported in Germany, Denmark, and the Netherlands. In all three of these countries the number of bred sows in early 1936 was larger than a year earlier, indicating that a further increase in numbers in the remainder of 1936 is probable. Also in the United States and Canada an increase in the 1936 spring pig crop is expected. The expansion in hog numbers above noted doubtless will result in an increase in hog slaughter in the various countries later this year. Changes in hog slaughter in the last half of the present year as well as further changes in hog numbers, however, will depend to a considerable extent upon the production of feed crops in 1936. In the last year the relationship between hog prices and feed prices in most important producing countries has been favorable for increased hog production.

Imports of hog products into Germany have increased considerably in the last 6 months. Practically all of the German imports, however, are now

C R O P A N D M A R K E T P R O S P E C T S , C O N T ' D

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being secured from other continental European countries, such as Poland, Denmark, the Netherlands, and the Danube countries, and such imports have been made possible largely by barter agreements between the various countries and Germany. Imports of American hog products into Germany have been very small in recent months chiefly because of the lack of foreign exchange in Germany and relatively short export supplies of such products in the United States.

Imports of bacon and hams into the United Kingdom in the last 6 months have been somewhat smaller than a year earlier as a result of the restrictions on imports in that country. Although total imports were reduced, shipments from Empire countries, including Canada and the Irish Free State, have represented a much larger than usual proportion of the total. Restrictions have applied solely to imports from non-Empire countries. Lard imports into Great Britain in the last 6 months were about 33 percent smaller than a year earlier. Although the United States continued to be the leading source of British lard imports, those from other countries in 1935-36 represented a larger than usual proportion of the total.

United States hog prices declined during late April and early May as hog slaughter increased. Slaughter supplies in the United States probably will continue to increase through June with some decrease expected in the late summer. In view of the high hog-corn price ratio in the last 6 months, it is likely that the 1936 spring pig crop is materially larger than that of 1935. Such an increase will be reflected in larger supplies of hogs for slaughter after next September. See HP-78, "World Hog and Pork Prospects," May 1936.

Empire share of British cured pork receipts increases

Imports of cured pork from Empire countries in the period October-March 1935-36 accounted for 25 percent of the total imports, according to information available in the Foreign Agricultural Service. In the corresponding 1931-32 period, Empire countries supplied only 4.5 percent of total imports, which amounted to 703,436,000 pounds in that period against only 395,603,000 pounds in the 1935-36 months. Actual imports from Empire countries in the 1935-36 period amounted to 99,000,000 pounds against 31,600,000 pounds in the corresponding months of 1931-32. Canada has been outstanding as an Empire source of supply, with the Irish Free State also sending larger quantities. The steady increase in exports of ham from Canada has placed that movement ahead of receipts of United States ham in recent months. See table, page 633.

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AGRICULTURAL TRADE IN THE FIRST QUARTER OF THE CANADIAN AGREEMENT

One of the immediate direct results of the trade agreement between Canada and the United States, which went into effect the first of this year, has been to stimulate trade in agricultural products between the two countries. First-quarter statistics for this trade, divided into agricultural and non-agricultural products and breaking down the agricultural products according to whether or not they benefited from reductions in duty made under the agreement, are shown in the tables on pages 618, 619, and 620. As is shown in the first of these tables, the total value of United States agricultural exports to Canada for which Canadian duties were lowered by the terms of the agreement reached \$4,452,000 during the first quarter of 1936. The value of the imports of Canadian agricultural products (excluding distilled liquors) on which United States rates of duty were reduced was \$3,763,000 during the same period, as is shown in the second table. Each of these figures represents a greater rise in the 1936 trade over that for the first quarter of 1935 than is indicated by any of the other groups shown, with the exception of imports of distilled spirits which also benefited from reductions in duties provided by the agreement.

It is true that these increases are partially attributable to forces not connected with the more lasting direct effects of the agreement but merely incidental to the first months of its operation. One such force was the general anticipation of the lower duties during the period between the first announcement of the tariff changes and the date of their going into effect. Shipments were delayed whenever possible in order to take advantage of the new duties. Another special influence was connected with quota limitations on the amounts of certain imports from Canada admissible at the new rates. Shipments to the United States of commodities on which tariff quotas were established in the agreement seem to have been advanced somewhat in certain cases in order to be sure of admittance at the lower rates.

The percentage increases of the agreement items over shipments during the preceding year, nevertheless, seem to be holding well above those of most other commodities. It is interesting to note that the percentage increase over 1935 on the agricultural import items on which duties were reduced was 100 for January but only 54 for March; while in the case of exports the January figure of 38 compares with a March figure of 32. Thus, while there is a definite trend downward from the large percentage of import increase during January, the export rate of increase does not seem to show this trend. It would appear that whatever disparity still remains between these two rates of increase does not arise from the nature of the concessions made. This may be concluded from the fact that an even greater disparity in the same direction is evident in the case of commodities which

AGRICULTURAL TRADE IN THE FIRST QUARTER OF THE CANADIAN AGREEMENT, CONT'D

were not affected by changes in duties made under the agreement. Thus, agricultural imports from Canada not affected by the agreement increased 29 percent for the periods mentioned, but agricultural exports not affected increased only 9 percent. The causes for the difference are to be found in general influences tending to increase imports into the United States in 1935. These include principally the lingering effects of the great drought of 1934 and the revival of business activity in this country.

At most, the results of the operation of the trade agreement during these early months reflect only immediate direct effects and can not be taken to indicate what will be the nature or the extent of the larger and more enduring consequences.

United States exports to Canada

The \$4,452,000 worth of agricultural exports to Canada affected by the agreement compares with a value of \$3,551,000 for the same commodities during the first quarter of 1935. This represents an increase of 25 percent, considerably larger than either the 9 percent rise in other agricultural exports, or that of 11 percent in non-agricultural exports to Canada during the same two periods. See table, page 621.

The largest agricultural export item affected by the trade agreement was citrus fruit, as may be seen in the table on pages 618 and 619. Oranges and grapefruit exports to Canada rose from 770,000 boxes in the first quarter of 1935 to 913,000 boxes in the comparable period of 1936. The corresponding increase in value amounted to \$461,000 or 29 percent. Total exports of fruit and fruit preparations upon which duties were reduced under the agreement amounted to over \$2,000,000 in 1936. All of the leading items registered substantial increases. Apple shipments to Canada were up 612 percent, dried apricots 169 percent, peaches 2 percent, and pears 35 percent. The next most important group of affected items was fresh vegetables, which rose from \$892,000 in the first quarter of 1935 to over \$1,000,000 in the first quarter of 1936.

Value increases were registered in all groups of agricultural export commodities affected by the agreement. This was true both for animals and animal products, domestic supplies of which have not entirely recovered from the effects of the 1934 drought, and for grains and grain products, in spite of low domestic wheat production during 1935 and a low quality corn crop. The movement of cleaned rice to Canada in the first 3 months of 1936 was over eight times as large as in 1935. It is interesting to compare this with rough rice, upon which no concession in duty was granted by Canada. The 1936 exports of the latter were smaller than those during the 1935 period. Exports of nuts to Canada were three times as large in the 1936 quarter as in 1935.

AGRICULTURAL TRADE IN THE FIRST QUARTER OF THE CANADIAN AGREEMENT, CONT'D

United States imports from Canada

United States imports of agricultural products from Canada during the first quarter of 1936 amounted to \$17,000,000, of which \$4,000,000 consisted of commodities for which United States duties were reduced under the trade agreement. This is shown in the table on page 622. Of the \$4,000,000, approximately \$2,000,000 consisted of commodities, imports of which are limited under the agreement to definite quotas, based on the records of imports in previous years and on domestic production.

The trend of percentage increase in each of the first 3 months of 1936 over 1935, in the case of non-agricultural imports, seems to be decidedly upward as compared with an even more decided downward trend for agricultural imports on which duties were reduced. The non-agricultural products showed rises of 17, 19, and 25 percent for January, February, and March, respectively. The same figures for the affected agricultural items were 100, 57, and 54.

Cattle weighing over 700 pounds imported for other than dairy purposes made up the largest single item included in the approximately \$4,000,000 worth of imports on which duties were reduced (see table page 620). Imports of cattle over 700 pounds (most of which were not dairy cows) amounted to \$1,789,000 during the first 3 months of 1936, as compared with only \$900,000 during the corresponding period of the preceding year. The next most important item consisted of horses worth not more than \$150 per head, of which 6,000 head were imported in the first quarter of 1936.

Unlike the case of exports, some of the groups of imports which benefited by reduced duties under the agreement decreased in value between the first quarters of 1935 and 1936. This was the case notably for grass seeds and other forage seeds whose main item, timothy seed, fell from \$217,000 to zero in the periods mentioned. Another item which declined was fruit, \$30,000 worth of which was imported during the 1935 period as compared with only \$25,000 in 1936. Cheddar cheese imports reached 2,838,000 pounds for the first quarter of 1936. These imports represented about 3 percent of domestic production which was 26 percent higher during the first quarter of 1936 than during the corresponding 1935 period.

The effect of the Canadian budget

It will be recalled that, in addition to providing many specific duty reductions, the agreement with Canada resulted in the extension of most-favored-foreign-nation treatment to the United States. As a result, all of our exports, whether or not they are mentioned in the agreement, enjoy the Canadian "intermediate" rates of duty instead of the highest or

AGRICULTURAL TRADE IN THE FIRST QUARTER OF THE CANADIAN AGREEMENT, CONT'D

"general" rate which they had previously paid. The agreement, however, does not bind the intermediate rates in all cases. General changes which do not discriminate against the United States are permitted.

With the adoption of the new budget on May 2, it became apparent that, with few exceptions, American agricultural products would continue to enjoy during the fiscal year 1937 the duty advantages established by the trade agreement. In the cases of only three commodities, potatoes, eggs, and cut flowers, are the former intermediate tariff rates changed by the budget. The new duties on these three commodities are set at a level equal to the tariff which must be paid by the same commodities entering the country from which they are exported. The duty on potatoes is thus changed from free entry for all types to 75 cents per 100 pounds on table potatoes and free entry for certified seed stock only. The new rate on eggs in the shell is 10 cents per dozen against 5 cents prevailing since January 1. This item is in a much more favorable position than prior to the agreement, however, since the exemption from anti-dumping "advanced valuation", obtained in the agreement, continues in force. Exports of American eggs to Canada in the first 3 months of this year were more than ten times larger than in the corresponding 1935 period.

UNITED STATES: Exports to Canada of agricultural commodities
on which duties were reduced, January-March, 1935 and 1936

Commodity	Unit	January-March			
		Quantity		Value	
		1935	1936	1935	1936
				1,000 dollars	1,000 dollars
Animals -					
Horses.....	Head	21	60	6	9
Live poultry.....	Thousand lb.	5	10	2	5
Other.....				14	16
Total animals.....				22	30
Meats -					
Pork, pickled or salted.....	Thousand lb.	187	471	19	69
Pork, cured a/.....	Thousand lb.	26	136	4	24
Pork, canned.....	Thousand lb.	2	54	1	17
Pork, fresh.....	Thousand lb.	303	22	40	2
Total meats.....	Thousand lb.	558	731	75	122
Other animal products -					
Lard (including neutral lard)	Thousand lb.	252	442	32	48
Sausage casings.....	Thousand lb.	190	261	54	30
Eggs in the shell.....	Thousand doz.	7	78	4	22
Miscellaneous.....				5	2
Total animal products.....				95	102

Continued -

AGRICULTURAL TRADE IN THE FIRST QUARTER OF THE CANADIAN AGREEMENT, CONT'D

UNITED STATES: Exports to Canada of agricultural commodities on which duties were reduced, January-March, 1935 and 1936, cont'd

Commodity	Unit	January-March			
		Quantity		Value	
		1935	1936	1935	1936
				1,000 dollars	1,000 dollars
Grains and grain products -					
Corn and cornmeal.....	Thousand bu. ^{b/}	53	25	82	44
Rice, cleaned.....	Thousand lb.	331	2,746	13	91
Wheat and wheat flour.....	Thousand bu.	5	22	9	37
Biscuits, unsweetened.....	Thousand lb.	484	660	50	64
Hominy and corn grits.....	Million lb.	2	1	45	19
Others.....				55	57
Total grains and grain products.....				254	312
Vegetables and preparations -					
Fresh vegetables.....				892	1,015
Canned vegetables.....				11	19
Dried vegetables.....				36	32
Vegetable preparations.....				31	41
Total vegetables and preparations.....				970	1,107
Fruits and preparations -					
Oranges and grapefruit.....	Thousand bx.	707	913	1,607	2,068
Apples and pears.....	Thousand lb.	933	2,867	42	62
Other fresh fruit.....				100	76
Dried and evaporated fruit.....	Thousand lb.	850	1,173	67	96
Canned and preserved fruit.....	Thousand lb.	522	758	43	65
Total fruit and preparations.....				1,859	2,367
Nuts.....	Thousand lb.	82	34	30	93
Molasses.....	Thousand gal.	56	63	18	15
Sirup, including maple.....	Thousand gal.	8	12	2	5
Malt extract and sirup.....	Thousand lb.	1	83	^{c/}	5
Fruit juices.....	Thousand gal.	56	87	31	58
Field and garden seeds.....	Thousand lb.	703	1,432	142	163
Nursery and greenhouse stock.....				48	70
Miscellaneous items.....				5	4
Total.....				3,551	4,452

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

a/ Includes hams and shoulders, bacon, and Cumberland and Wiltshire sides.

b/ Cornmeal converted at the rate of 4 bushels of corn to 1 barrel of meal.

c/ Less than 500.

AGRICULTURAL TRADE IN THE FIRST QUARTER OF THE CANADIAN AGREEMENT, CONT'D

UNITED STATES: Imports from Canada of agricultural commodities
on which duties were reduced, January-March, 1935 and 1936

Commodity	Unit	January - March			
		Quantity		Value	
		1935	1936	1935	1936
				1,000	1,000
				dollars	dollars
Cattle -					
Weighing less than 700 lb. <u>a/</u>	Thousand head	5	6	175	154
Weighing 700 lb. or over.....	Thousand head	16	33	900	1,789
Total cattle.....	Thousand head	21	39	1,075	1,943
Poultry -					
Live.....	Thousand lb.	2	153	2	25
Dead.....	Thousand lb.	25	2	4	b/
Total poultry.....	Thousand lb.	27	155	6	25
Horses worth not over \$150 each	Thousand head	1	6	115	696
Dairy products -					
Cheddar cheese.....	Thousand lb.	302	2,838	36	357
Cream.....	Gallons	83	1,291	b/	2
Total dairy products.....				36	359
Cereal breakfast foods.....	Thousand lb.	103	225	11	19
Hay.....	Thousand tons	31	2	314	13
Oats.....	Thousand bu.	473	5	211	2
Vegetables -					
Turnips and rutabagas.....	Million lb.	35	54	193	327
Seed potatoes (white).....	Million lb.	2	13	20	157
Peas, green.....	Million lb.	c/	0	3	0
Total vegetables.....	Million lb.	37	67	216	484
Fruits -					
Blueberries, frozen.....	Thousand lb.	642	449	30	23
Other.....	Thousand lb.	1	30	b/	2
Total fruits.....	Thousand lb.	643	479	30	25
Grass and other forage seeds -					
Timothy.....	Thousand lb.	1,203	0	217	0
Canada blue grass.....	Thousand lb.	56	49	6	4
Other.....	Thousand lb.	34	68	7	8
Total grass, etc.....	Thousand lb.	1,293	117	230	12
Maple sugar.....	Thousand lb.	655	1,050	111	186
Total.....				2,290	3,763

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ The cattle weighing less than 175 lb. per head were affected by the United States-Canadian Trade Agreement. However, this item was not separately classified in United States import statistics prior to 1936.

b/ Less than 500.

c/ Less than 500,000.

AGRICULTURAL TRADE IN THE FIRST QUARTER OF THE CANADIAN AGREEMENT, CONT'D

UNITED STATES: Exports to Canada, by months,
first quarter, 1935 and 1936

Item and month	1935	1936	Increase or decrease	
			Amount	Percentage
	Thousand dollars	Thousand dollars	Thousand dollars	Percent
All commodities -				
January	21,624	25,728	+4,104	+19
February	21,974	23,887	+1,913	+9
March	24,606	26,310	+1,704	+7
First quarter	68,204	75,925	+7,721	+11
Non-agricultural -				
January	17,603	21,999	+4,396	+25
February	19,141	20,418	+1,277	+7
March	21,411	22,001	+590	+3
First quarter	58,155	64,418	+6,263	+11
Agricultural -				
January	4,021	3,729	-292	-7
February	2,833	3,469	+636	+22
March	3,195	4,309	+1,114	+35
First quarter	10,049	11,507	+1,458	+15
Agricultural on which duties were reduced under the agreement -				
January	959	1,325	+366	+38
February	1,161	1,241	+80	+7
March	1,431	1,886	+455	+32
First quarter	3,551	4,452	+901	+25
Other agricultural -				
January	3,032	2,404	-628	-21
February	1,672	2,228	+556	+33
March	1,764	2,423	+659	+37
First quarter	6,468	7,055	+587	+9

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

AGRICULTURAL TRADE IN THE FIRST QUARTER OF THE CANADIAN AGREEMENT, CONT'D

UNITED STATES: Imports from Canada, by months,
first quarter, 1935 and 1936

Item and month	1935	1936	Increase or decrease	
			Amount	Percentage
	Thousand dollars	Thousand dollars	Thousand dollars	Percent
All commodities -				
January	19,235	24,273	+5,038	+26
February	18,143	22,928	+4,785	+26
March	20,877	26,836	+5,959	+29
First quarter	58,255	74,037	+15,782	+27
Non-agricultural -				
January	14,275	16,785	+2,510	+18
February	13,073	15,613	+2,540	+19
March	14,781	18,411	+3,630	+25
First quarter	42,129	50,809	+8,680	+21
Distilled spirits -				
January	1,104	2,287	+1,183	+107
February	1,081	1,922	+841	+78
March	1,472	2,097	+625	+42
First quarter	3,657	6,306	+2,649	+72
Agricultural, excluding spirits -				
January	3,856	5,201	+1,345	+35
February	3,989	5,393	+1,404	+35
March	4,624	6,328	+1,704	+37
First quarter	12,469	16,922	+4,453	+36
Agricultural, excluding spirits, on which duties were reduced under the agreement -				
January	475	952	+477	+100
February	680	1,066	+386	+57
March	1,135	1,745	+610	+54
First quarter	2,290	3,763	+1,473	+64
Other agricultural, excluding spirits -				
January	3,381	4,249	+868	+26
February	3,309	4,327	+1,018	+31
March	3,489	4,583	+1,094	+31
First quarter	10,179	13,159	+2,980	+29

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND

The trade agreement with Finland signed in Washington on May 18, 1936, secured for the United States reductions in the Finnish import duties on lard, fresh apples and grapefruit, prunes, raisins, and other dried fruit, and certain canned fruits and vegetables. Existing relatively low duties on fresh pears and cornstarch were bound against increase, while cotton was bound on the Finnish free list. The new rates will not become effective until the treaty is ratified by the Finnish Parliament.

The agricultural imports from the United States on which Finland reduced the import duties had a total import value of \$1,532,000 in 1929. In 1934 that value stood at \$713,000. With few exceptions, the duties established by the agreement remain higher than those prevailing in 1929, but the reductions from pre-agreement rates represent cuts of from 33 to 50 percent.

The 1934 value of imports of the agricultural items upon which reductions in the Finnish duties were secured represented about 8 percent of the value of all American goods imported in the year, and 13 percent of the 1934 value of all of the Finnish import items subject to concessions under the agreement. With the three bound agricultural items (cotton, fresh pears, and cornstarch) included, then the 1934 total value of agricultural concession items represents 39 percent of the total 1934 imports from the United States, and 64 percent of the value of all the Finnish concession items, agricultural and industrial. Raw cotton alone accounted for 31 percent of the total imports from the United States in 1934.

Aside from the agricultural concessions indicated, Finland also has bound against increase the existing rates on 16 items of American manufacture. These items include passenger automobiles, trucks, tires, gasoline, office machines, conveyor belts, certain types of patent leather, motion picture film, and copper rods. Used jute sacks were bound on the free list.

In return for the concessions secured, the United States agreed to bind for Finland the free list items of newsprint paper and wood pulp. Other items figuring in earlier agreements made by the United States on which the rates are now specifically bound for Finland include certain types of wall board, paper board and paper, and matches. Items upon which new concessions were granted to Finland include granite, birch plywood, spools for thread, cream separators, and Swiss type and Gruyere process cheese. The only agricultural item included in the list of American concessions to Finland is cheese.

The balance of trade between the United States and Finland prior to 1931 was heavily in favor of the United States; that is, the value of purchases in the United States by Finland exceeded the value of Finnish sales in this country. In addition to the agricultural items on which the

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND, CONT'D

agreement provides for lower Finnish import duties, that country also formerly purchased most of its wheat and flour requirements in the United States. From 1931 to 1935, the trade between the two countries was much more closely balanced as a result of heavily curtailed purchases by Finland of American products. In that period there was a slight annual balance in favor of Finland except in 1934. The trend of United States imports from Finland has been upward since 1932, the bulk of the business being in paper, wood pulp, and other forest products. In 1935 the value of United States imports from Finland, at \$12,158,000, was greater than in any of the preceding 10 years.

FINLAND: Value of imports from the United States,
1929, 1933, and 1934

Commodity	1929	1933	1934
	Dollars	Dollars	Dollars
Pork, salted.....	599,044	122,960	75,092
Lard, oleo oil.....	716,989	299,571	275,638
Wheat.....	--	131,703	426,208
Rye.....	543,448	47,290	2,781
Wheat flour.....	4,153,098	142,600	106,094
Oatmeal, rolled oats.....	513,962	--	--
Fruits and nuts.....	993,600	334,184	536,205
Coffee, green.....	272,465	36,481	31,538
Hides, skins and leather.....	243,301	209,237	251,898
Cotton, raw.....	2,828,567	1,424,256	2,803,423
Rosin (colophony).....	130,890	64,940	105,740
Automobile tires.....	867,485	220,405	298,594
Gasoline a/.....	1,854,891	619,713	763,186
Kerosene.....	407,134	225,579	308,518
Lubricating oils.....	401,535	67,495	135,071
Sulphur.....	729,982	362,635	461,777
Iron and steel, including arms	668,858	144,515	3,837
Copper bars.....	600,406	95,875	232,234
Machinery.....	953,602	162,149	388,777
Office machines.....	291,208	55,424	125,981
Automobiles.....	1,253,574	26,003	152,560
Chassis for vehicles.....	819,977	89,752	347,493
Textile fabrics and manufac- tures, including knit goods	413,231	110,556	149,153
All other.....	1,748,435	402,847	1,200,503
Total.....	22,010,582	5,396,170	9,182,301

United States Bureau of Foreign and Domestic Commerce.

a/ Gasoline, benzine, ligroine, and cleaning oils.

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND, CONT'D

UNITED STATES: Value of imports from Finland 1929, 1933 and 1934

Commodity	1929	1933	1934
	Dollars	Dollars	Dollars
Cheese.....	99,163	196,491	138,199
Hides and skins.....	592,782	327,524	105,349
Wood pulp:			
Mechanical.....	225,186	348,753	221,718
Chemical.....	7,204,104	6,138,075	6,522,620
Paper board.....	251,096	81,515	77,923
Kraft wrapping paper.....	--	79,232	112,673
Newsprint.....	1,564,362	1,432,964	1,467,047
Cream separators and parts..	114,051	25,912	17,903
Granite, rough or wrought....	--	55,297	52,776
Matches.....	297,477	22,719	14,705
Furs, undressed.....	171,616	79,063	89,334
Potassium chlorate.....	--	1,724	4,481
Tissue paper.....	59,119	7,461	40,212
Copper concentrates.....	145,441	--	--
Blown glass articles.....	--	16,182	10,595
All others.....	501,036	102,611	119,898
Total.....	11,225,433	8,915,523	8,995,483

In addition to the anticipated increase in American agricultural exports to Finland resulting from the lower Finnish duties obtained by the agreement, the stabilization for the period of the agreement of the rates specified is of outstanding value. The Finnish tariff is revised annually by Parliament and numerous items are subject also to changes by executive action. As a result Finnish tariff rates can be, and in fact have been, changed frequently in recent years. The concession items also are protected for the life of the agreement against quantitative restrictions on imports. This form of trade barrier, however, has not been utilized to date by Finland. In connection with the figures on Finnish imports appearing hereafter, it should be noted that the quantities listed may be less than the actual amounts of United States products imported into Finland. This is because of the considerable volume of such products which reach Finland via third countries. Available official Finnish statistics do not record indirect imports by countries of origin, the keeping of such records not having been practiced prior to 1935.

Agricultural concessions granted by Finland

In Finland, as in most European countries, declining agricultural prices after 1929 brought about efforts to protect domestic producers from

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND, CONT'D

low-priced imports. Accordingly, Finland began the erection of protective agricultural tariffs to supersede the former moderate duties. Grains, pork products, and fresh apples were favored with particularly high rates. Under the new duties, domestic wheat production and flour milling expanded materially, although the country is still far from being self-sufficient in grain. The higher duties on lard were designed to relieve the pressure of low prices on Finnish butter, of which there is an export surplus. Finland also has an export surplus of the lean cured pork known to the European trade as bacon, practically all of which is marketed in Great Britain. Prior to the depression, Finland imported American fat pork at low duties while exporting lean bacon. Prices of all of these import items have recovered considerably from the low levels of 2 or 3 years ago, and the duty reductions provided in the agreement on lard and fruit are fairly substantial. Finnish policy, however, continues to include a wide margin of protection for agriculture.

Lard

The reduction obtained in the Finnish duty on lard, from about 6 cents to 4 cents per pound, applies to annual imports of up to 1,000 metric tons (2,205,000 pounds) of United States lard. Finnish imports of lard from all sources in 1929 amounted to 6,284,000 pounds of which the United States share was at least (direct imports) 4,978,000 pounds. Preliminary returns for 1935 indicate that in that year lard imports into Finland amounted to only 150,000 pounds. Assuming that all of the small 1935 imports were United States lard, the average imports from the United States in 1934 and 1935 work out at about 2,114,000 pounds. United States statistics show that exports of lard to Finland in 1929 amounted to 7,200,000 pounds, to 2,188,000 pounds in 1934, and about 25,000 pounds in 1935. The agreement places no limitation on the quantity of lard that may be imported at the regular rate of about 6 cents per pound.

LARD: Imports into Finland, by countries, 1928 to 1934

Country of shipment	1928	1929	1930	1931	1932	1933	1934
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United States	5,381	4,978	4,235	2,824	3,256	4,614	4,078
Germany.....	419	245	209	90	51	168	93
Denmark.....	276	166	192	64	68	31	a/
Netherlands..	1,270	683	606	322	443	25	a/
Others.....	44	212	35	0	20	79	315
Total.....	7,840	6,284	5,277	3,300	3,838	4,886	4,480

Compiled from official sources. a/ If any, included in "Others".

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND, CONT'D

Fresh fruit

The reduced rate of about 1.5 cents per pound for American apples will apply to fruit imported during the period December 15-June 15 of each year. The new figure represents a reduction of nearly 4.5 cents per pound in the period December 15-December 31, and a cut of about 1.5 cents for the period January 1-June 15. Finnish imports of United States apples amounted to 90,000 bushels in the calendar year 1929, when the duty was about 2.5 cents. In 1932, when a rate of nearly 6 cents applied the year round, imports of apples from the United States amounted to only 29,000 bushels. The period during which the lowered duty operates will permit entries to be made in time to participate in the Christmas holiday trade. For pears, the present duty of about 1 cent per pound is bound by the agreement, while the duty on grapefruit of about 1 cent per pound has been cut in half.

APPLES, FRESH: Imports into Finland, 1928-1934
(In bushels of 48 pounds)

Country of shipment	1928	1929	1930	1931	1932	1933	1934
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
United States.....	85,428	89,608	66,551	70,364	29,487	23,194	51,808
Soviet Union.....	13,319	23,562	9,002	10,793	6,660	a/	3,996
Germany.....	50,752	49,053	42,347	29,349	5,971	7,303	12,263
United Kingdom....	25,491	6,338	12,098	6,476	8,727	11,574	7,027
Italy.....	16,948	23,194	6,246	7,762	1,883	1,286	1,653
Estonia.....	a/	1,745	13,579	7,136	29,000	4,639	24,940
Others.....	17,821	24,618	14,789	9,507	6,123	11,299	8,451
Total.....	209,759	218,118	165,712	141,416	85,658	59,295	110,138

Compiled from official trade statistics of Finland. a/ If any, included in "Others".

PEARS, FRESH: Imports into Finland, 1928-1934
(In bushels of 50 pounds)

Country of shipment	1928	1929	1930	1931	1932	1933	1934
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
United States.....	853	a/	2,201	5,840	3,549	4,043	12,847
Italy.....	8,265	22,635	9,658	18,237	7,412	6,513	6,154
Germany.....	21,786	19,585	12,039	17,204	7,187	7,547	1,842
United Kingdom....	674	853	1,123	a/	2,021	2,156	2,875
Sweden.....	1,752	1,303	764	719	809	1,572	4,132
Others.....	18,193	11,769	4,222	13,656	3,099	7,226	17,384
Total.....	51,523	56,195	30,007	55,356	24,077	29,557	45,234

Compiled from official trade statistics of Finland. a/ If any, included in "Others".

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND, CONT'D

Dried fruit

Duty reductions of about 50 percent from pre-agreement rates are provided for the leading American dried fruits entering Finland. The reductions apply to prunes, raisins, dried pears, apricots, and peaches. A similar concession was granted on mixed dried fruit for salad which does not contain more than 15 percent of dried apples.

The rate on prunes is reduced by the agreement to about 0.7 cent per pound from the former rate of 1.37 cents. The United States is consistently the principal supplier of prunes to Finland. In 1928 Finland imported directly 4,636,000 pounds of American prunes, and 2,681,000 pounds in 1934. The agreement reduces the duty on raisins from 1 cent to 0.5 cent per pound. Finland regularly absorbs considerable quantities of raisins from the United States. On the other dried fruits affected by the agreement, the reduction of 50 percent in the duty places the new rate at about 3 cents per pound. This represents a return to the rates in effect in 1930 and 1931, when imports of all such fruits into Finland amounted to between 770,000 and 830,000 pounds. Imports decreased under the 6-cent duty to 295,000 pounds in 1932. The United States normally supplies about 90 percent of the total imports of these items.

DRIED FRUIT: Imports into Finland by countries, 1928-1934

Country of shipment	1928	1929	1930	1931	1932	1933	1934
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>PRUNES</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United States.....	4,636	4,076	2,738	2,703	1,784	2,163	2,681
Germany.....	346	362	108	110	104	99	a/
Others.....	269	196	154	49	37	79	84
Total.....	5,251	4,634	3,000	2,862	1,925	2,341	2,765
<u>RAISINS & CURRANTS</u>							
United States.....	2,542	1,810	1,343	1,422	889	1,501	1,523
Spain.....	2,275	2,211	1,539	1,287	1,109	516	719
Turkey.....	59	33	35	46	62	38	90
Germany.....	106	152	55	51	35	a/	a/
Greece.....	71	185	49	a/	a/	141	150
Others.....	465	331	231	126	134	165	238
Total.....	5,518	4,722	3,252	2,932	2,229	2,361	2,720
<u>OTHER</u>							
United States.....	966	866	706	714	240	359	381
Germany.....	119	99	77	38	29	31	a/
Others.....	90	62	46	20	26	24	75
Total.....	1,175	1,027	829	772	295	414	456

Compiled from official Trade statistics of Finland. a/ If any, included in "Others".

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND, CONT'D

DRIED FRUIT: Exports from the United States to Finland
of concession items, 1929 to 1935

Type of fruit	1929	1930	1931	1932	1933	1934	1935 a/
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Prunes.....	3,947	3,129	2,594	1,578	2,392	2,813	3,752
Raisins.....	247	217	352	367	1,085	843	1,578
Pears.....	229	221	142	57	105	106	220
Apricots.....	397	254	258	154	200	132	334
Peaches.....	254	154	116	70	191	97	148
Fruit for salad.....	b/	141	778	3	14	35	615
Other dried c/.....	155	17	15	5	0	0	0
Total.....	5,209	4,133	4,255	2,234	3,987	4,026	6,647

Compiled from Foreign Commerce and Navigation of the United States, 1929 to 1934, and records of the Bureau of Foreign and Domestic Commerce, 1935.

a/ Preliminary. b/ Included in "Other dried fruit". c/ No concession.

Canned fruit and vegetables

The items in the canned fruit group upon which concessions were granted are pineapples, pears, peaches, apricots, grapefruit, and mixed fruit. The United States supplies the major share of the imports into Finland. They are not itemized in the Finnish statistics, but United States export figures show that Finland took about \$11,000 worth of these fruits in 1929, and little more than \$5,000 worth in 1934. This decline occurred under a duty of about 10 cents per pound which sometimes has amounted to more than 90 percent ad valorem. The new rate is about 3.5 cents per pound. A similar reduction has been secured on canned asparagus.

CANNED FRUIT AND VEGETABLES: Exports of principal items
from the United States to Finland, 1929 to 1935

Item	1929	1930	1931	1932	1933	1934	1935 a/
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Apricots.....	6,846	4,120	2,320	2,846	4,588	2,731	6,566
Cherries.....	273	828	783	225	225	496	603
Peaches b/.....	10,541	7,045	8,329	6,212	6,860	8,114	7,523
Pears b/.....	6,251	6,506	7,912	4,252	5,228	6,630	6,513
Pineapples b/.....	43,231	17,107	13,651	19,804	27,732	28,386	34,203
Fruit for salad.....	13,983	12,328	13,275	6,601	5,645	11,619	20,724
Other canned fruit...	610	85	5,898	0	0	20,400	300
Asparagus b/.....	36,481	9,814	12,155	4,802	12,251	20,512	27,681

Foreign Agricultural Service. Compiled from Foreign Commerce and Navigation of the United States, 1929 to 1934 and records of the Bureau of Foreign and Domestic Commerce, 1935. a/ Preliminary. b/ Concession granted by Finland.

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND, CONT'D

Cotton

Considerably more than half of the raw cotton imported into Finland comes directly from the United States. Imports in 1934, both total and direct, from America were larger than in either 1928 or 1929. The 1934 total figure was 68.4 percent larger than that of 1933, and was nearly double the reduced volume imported in 1930. Direct imports of American cotton in 1934 accounted for 73.1 percent of the total imports. From 1928 to 1933, the direct imports fluctuated between 67 percent and 81 percent of the annual total imports. It is probable that much of the cotton recorded as coming from the United Kingdom and Germany also was of American growth. Receipts from other countries fell to negligible levels in 1932. By 1934, however, such imports were larger than in any other of the years shown. It is anticipated that when the 1935 figures are available they will show the country of origin as well as the country of shipment.

COTTON, RAW: Imports into Finland, by countries, 1928-1934
(In bales of 478 pounds)

Country of shipment	1928	1929	1930	1931	1932	1933	1934
	Bales	Bales	Bales	Bales	Bales	Bales	Bales
United States.....	29,126	24,306	21,963	26,907	25,915	29,527	45,407
Germany.....	5,055	4,958	5,064	2,795	5,701	6,895	4,543
United Kingdom.....	5,387	4,963	4,621	3,229	2,966	5,465	9,215
Others	1,909	1,282	1,006	304	157	618	2,947
Total.....	41,477	35,509	32,654	33,235	34,739	42,505	62,112

Compiled from official trade statistics of Finland.

Agricultural concessions granted by the United StatesCheese

The United States duty on Emmenthaler (also called Swiss type) cheese under the Act of 1930 was 7 cents per pound but not less than 35 percent ad valorem. Because of the high price of cheese made in Switzerland the ad-valorem rate of 35 percent applies on imports from that country, whereas the specific rate applies on imports from Finland, its ad-valorem equivalent on the Finnish cheese being about 44 percent.

The trade agreement with Switzerland concluded in February 1936 lowered the ad-valorem rate on cheese of this type to 20 percent, leaving the specific rate unchanged. The benefit of the reduction in the ad-valorem rate accrued chiefly to Switzerland because of the high price of its cheese. Imports from Finland, owing to their lower value, continued to pay the 7-cent rate after the agreement with Switzerland, the ad-valorem equivalent being much higher than the ad-valorem rate payable on cheese from Switzerland.

Under the agreement with Finland, the specific rate on Swiss type cheese is reduced to 5 cents per pound with no further change in the ad-valorem rate. This reduction will have practically no effect on imports of cheese from

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND, CONT'D

Switzerland, but will be an advantage to Finland, the new specific rate being equivalent to about 30 percent ad valorem against 44 percent under the former rate.

The agreement with Finland also places the duty on Gruyere process cheese at 5 cents per pound but not less than 20 percent ad valorem. This cheese also is primarily a product of Switzerland, and the same points with respect to relative values apply as in the case of Emmenthaler cheese. The former specific rate of 7 cents per pound resulted in an ad-valorem equivalent of 25 percent on imports from Switzerland and of 29 percent on Gruyere from Finland. The new 5-cent rate represents a charge of about 25 percent on the Finnish product, while Gruyere from Switzerland, because of its higher unit value, continues to pay the 20-percent rate specified in the February agreement.

Finland's total production of cheese is small compared with that of the United States, averaging in recent years about 15,000,000 pounds, of which 9,000,000 pounds were exported. Only a small fraction of the Finnish exports heretofore have come to the United States. In the period 1925-1929, when the United States specific duty was the same as in the new agreement, imports of all types of cheese from Finland averaged little more than 500,000 pounds annually, or less than 3 percent of the average American production of Emmenthaler for that period. A similar volume of imports would represent only about 1 percent of current domestic production.

CHEESE, EMMENTHALER AND GRUYERE: United States production, and imports from Finland and Switzerland, 1925 to 1935.

Year	Domestic production	Emmenthaler			Imports of "Other" cheese principally Gruyere a/	
		Finland	Switzerland	Total	Finland	Switzerland
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
1925.....	23,457	b/	b/	c/	b/	b/
1926.....	20,883	b/	b/	c/	b/	b/
1927.....	18,141	d/	e/	f/ 6,675	b/	b/
1928.....	16,718	d/	e/	18,584	b/	b/
1929.....	19,406	d/	e/	18,684	b/	b/
1930.....	26,393	d/	e/	17,664	b/	b/
1931.....	28,234	760	12,926	15,683	39	1,448
1932.....	25,533	256	10,258	11,698	172	1,470
1933.....	40,227	1,075	8,373	10,724	187	1,420
1934.....	39,449	642	5,520	6,819	228	1,174
1935 g/.....		520	4,811	6,259	519	1,059

Compiled from records of the Bureau of Foreign and Domestic Commerce. a/ Imports for consumption 1927-1930 and 1934-1935. General imports 1931-1933. b/ not available. c/ Classified as "Cheese and substitutes" prior to July 8, 1927. d/ If any, included in total. e/ Total Emmenthaler cheese imports came in mostly from Switzerland. f/ July 8-December 31 only. g/ Preliminary.

AGRICULTURE IN THE TRADE AGREEMENT WITH FINLAND, CONT'D

FINLAND: Concessions granted to the United States on agricultural products, 1936

Commodity	Unit	Import duty a/		New rate		Value of imports from United States	
		1929 rate	Pre-agreement rate	1929 rate	1934 rate	1929 Dollars	1934 Dollars
Lard	Pound	Cents 0.69	Cents 5.94	b/ 3.96		654,167	275,628
	Kilo	(0.60 F.mk.)	(6.00 F.mk.)	(4.00 F.mk.)			
Apples, fresh.....	Pound	2.86	c/ 5.94	d/ 1.48		277,628	113,931
	Kilo	(2.50 F.mk.)	(6.00 F.mk.)	(1.50 F.mk.)			
	Pound		c/ 2.97				
	Kilo		(3.00 F.mk.)				
Pears and plums, fresh...	Pound	1.14	0.99	0.99 (Bound)		-	33,160
	Kilo	(1.00 F.mk.)	(1.00 F.mk.)	(1.00 F.mk.)		-	-
Grapefruit.....	Pound	1.14	0.99	0.494			
	Kilo	(1.00 F.mk.)	(1.00 F.mk.)	(0.50 F.mk.)		125,597	89,334
Raisins	Pound	1.14	0.99	0.494			
	Kilo	(1.00 F.mk.)	(1.00 F.mk.)	(0.50 F.mk.)		347,760	184,287
Prunes	Pound	1.57	1.36	0.69			
	Kilo	(1.37 F.mk.)	(1.37 F.mk.)	(0.70 F.mk.)		112,518	42,727
Dried pears, apricots, peaches and dried fruit.	Pound	2.86	5.94	2.97			
Canned peaches, pears, peaches, mixed fruit, grapefruit, tomato juice, and asparagus.	Kilo	11.43	9.90	6.43		14,288	6,645
	Pound	(10.00 F.mk.)	(10.00 F.mk.)	(6.50 F.mk.)			
Cornstarch.....	Pound	1.14	0.99	0.99 (Bound)		-	6,168
	Kilo	(1.00 F.mk.)	(1.00 F.mk.)	(1.00 F.mk.)		2,828,574	2,803,422
Cotton	Pound	Free	Free	Free (Bound)			

a/ Conversions into United States currency for 1929 made at old per (1 Finnish mark = 2.52 cents other rates at current exchange (1 Finnish mark = 2.18 cents).

b/ Applies to an annual quota of 1,000,000 kilos (2,204,600 pounds).

c/ During the period January - July 31, 3 Finnish marks per kilo; August - December 31, 6 Finnish marks per kilo.

d/ Applies only during the period December 15 - June 15, inclusive.

UNITED KINGDOM: Bacon and ham imports, October-March, 1931-32
to 1935-36

Country	1931-32		1932-33		1933-34		1934-35		1935-36	
	Amount	Per- cent of total	Amount	Per- cent of total	Amount	Per- cent of total	Amount	Per- cent of total	Amount	Per- cent of total
	1,000 pounds	Per- cent	1,000 pounds	Per- cent	1,000 pounds	Per- cent	1,000 pounds	Per- cent	1,000 pounds	Per- cent
<u>Empire countries</u>										
Canada.....	14,914	2.12	17,180	2.72	56,878	11.82	65,861	15.41	61,507	15.55
Irish Fr. S.	18,022	2.56	12,981	2.05	18,050	3.75	25,405	5.94	29,076	7.35
Others.....	164	.03	11	--	7	--	125	.03	4	--
Total Empire...	33,100	4.71	30,172	4.77	74,935	15.57	91,391	21.38	90,587	22.90
<u>Quota countries</u>										
Denmark....	457,718	65.07	372,401	58.90	244,210	50.74	216,303	50.61	195,539	49.43
Netherlands	28,506	4.05	72,367	11.45	36,991	7.69	29,407	6.88	25,845	6.53
Sweden.....	24,858	3.53	19,603	3.10	18,114	3.76	15,584	3.65	13,894	3.51
Poland.....	77,057	10.95	61,475	9.72	33,933	7.05	24,330	5.69	24,291	6.14
Lithuania..	37,014	5.26	32,035	5.07	19,882	4.13	8,333	1.95	10,714	2.71
Estonia a/.	4,077	.58	4,059	.64	3,336	.69	2,633	.61	2,621	.66
Finland a/.	2,058	.29	2,491	.39	2,099	.44	1,296	.30	b/1,158	.29
Latvia a/..	1,389	.20	1,819	.29	2,148	.45	1,870	.44	2,023	.51
U.S.S.R. a/	2,006	.29	2,431	.36	2,601	.54	2,600	.61	b/2,389	.61
Argentina c/	2,719	.39	2,867	.45	1,042	.22	1,067	.25	1,418	.36
U. S.	27,443	3.90	25,201	3.99	25,905	5.38	21,184	4.96	17,091	4.32
Total quota...	664,845	95.51	596,749	94.38	390,261	81.09	324,607	75.95	296,983	75.07
Minor suppliers	5,491	.78	5,359	.85	16,073	3.34	11,415	2.67	8,033	2.03
Total...	703,436	100	632,280	100	481,269	100	427,413	100	395,603	100

a/ Approximation based on annual statistics.

b/ March figure preliminary.

c/ Ham imports only; bacon figures not available.

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